

AMENDED IN SENATE MAY 4, 2009

SENATE BILL

No. 517

Introduced by Senator Florez

February 26, 2009

An act to amend Section ~~19614~~ 19601.01 of the Business and Professions Code, relating to horse racing, ~~making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 517, as amended, Florez. Horse racing: ~~fairs: capital outlay funding; thoroughbred associations or fairs: wager deductions.~~

Existing law authorizes a thoroughbred association or fair, at the joint request of the association or fair and the horseman's organization and subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool, for any type of wager, an amount of 10% to 25%, inclusive, of the total amount handled for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would instead authorize the deduction of an amount in that range upon the filing of a specified written notice with the board specifying the percentage to be deducted and would provide that the percentage is to remain in effect until the filing of a subsequent notice unless otherwise specified in the notice. The bill would authorize any distribution from the amount deducted to be modified or redirected upon the filing with the board of a written notice, as specified.

Existing law requires any fair racing association to additionally deduct 1% from the total amount handled in its daily conventional and exotic parimutuel pools, and requires this additional amount to be deposited in the Fair and Exposition Fund and appropriated for purposes of allocation by the Secretary of Food and Agriculture for capital outlay

to California fairs for specified fair projects, including, among others, those involving public health and safety and major and deferred maintenance.

This bill would instead require any racing association to make that additional 1% deduction. By increasing the amount to be deposited into the Fair and Exposition Fund, which is continuously appropriated, the bill would make an appropriation.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$ -majority. Appropriation: yes-no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19601.01 of the Business and Professions
2 Code is amended to read:

3 19601.01. Notwithstanding any other provision of law, a
4 thoroughbred association or fair, ~~subject to approval by the board~~
5 upon the filing of a written notice with the board specifying the
6 percentage to be deducted, may deduct from the total amount
7 handled in the parimutuel pool for any type of wager; an amount
8 of not less than 10 percent nor more than 25 percent ~~at the joint~~
9 request. The written notice shall include the written agreement of
10 the thoroughbred association or fair and the horsemen's
11 organization for the meeting of the thoroughbred association or
12 fair accepting the wager. The established percentage to be deducted
13 shall remain in effect until the filing of a subsequent notice unless
14 otherwise specified in the notice. The amount deducted shall be
15 distributed as prescribed in this chapter, provided that any
16 distribution required pursuant to this chapter, except for amounts
17 payable for the support of the board, may be modified or redirected
18 upon the filing with the board of a written notice that is authorized
19 and signed by the organization representing each entity affected
20 by the modification or redirection, including, but not limited to,
21 horsemen's organizations, racing associations, and fairs.

22 SECTION 1. ~~Section 19614 of the Business and Professions~~
23 Code is amended to read:

24 19614. (a) Notwithstanding Sections 19611 and 19612, and
25 except for an association that qualifies pursuant to Section 19612.6,
26 for a fair conducting a live racing meeting, 1 percent of the total

1 amount handled on live races, excluding wagering at a satellite
2 facility, shall be retained by the fair association for payment to the
3 state as a license fee.

4 (b) Additionally, 0.48 percent of the total amount handled on
5 live racing, excluding wagering at a satellite facility, shall be
6 deposited with the official registering agency pursuant to
7 subdivision (a) of Section 19617.2, and shall thereafter be
8 distributed in accordance with subdivisions (b), (c), and (d) of
9 Section 19617.2.

10 (c) After distribution of the applicable amounts as set forth in
11 subdivisions (a) and (b) and the payments made pursuant to other
12 relevant sections of this chapter, all funds remaining from the
13 deductions provided in Section 19610 shall be distributed 47.5
14 percent as commissions and 52.5 percent as purses. From the
15 amount distributed as thoroughbred purses, a sum equal to 0.07
16 percent of the total handle shall be held by the association to be
17 deposited with the official registering agency pursuant to
18 subdivision (a) of Section 19617.2, and shall thereafter be
19 distributed in accordance with subdivisions (b), (c), and (d) of
20 Section 19617.2.

21 Any additional amount generated for purses and not distributed
22 during the previous corresponding meeting shall be added to the
23 purses at the current meeting.

24 (d) In addition to the amounts deducted pursuant to Section
25 19610, any racing association shall deduct 1 percent from the total
26 amount handled in its daily conventional and exotic parimutuel
27 pools. The additional 1 percent shall be deposited in the Fair and
28 Exposition Fund and is hereby appropriated for the purposes
29 specified in Section 19630.

30 SEC. 2. This act is an urgency statute necessary for the
31 immediate preservation of the public peace, health, or safety within
32 the meaning of Article IV of the Constitution and shall go into
33 immediate effect. The facts constituting the necessity are:

34 In order to ensure that "California's Network of Fairs" receives
35 the necessary mandated revenue from license fees paid by racing
36 associations, which are pledged annually to create a self-supporting
37 network of agricultural fairs, and to ensure the economic future of
38 these fairs, it is necessary that this act take effect immediately.

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